



Fiscal Services Division
P.O. Box 942703
Sacramento, CA 94229-2703
TTY: For Speech & Hearing Impaired - (916) 795-3240
(916) 795-7756 FAX (916) 795-7900

September 14, 2010

AGENDA ITEM 6b

TO: MEMBERS OF THE FINANCE COMMITTEE

I. SUBJECT: Health Budget Change Proposals

II. PROGRAM: Administration

III. RECOMMENDATIONS: The Finance Committee recommends that the Board of Administration approve to continue going forward with two 2011-12 Budget Change Proposals for the Health Benefits Branch requesting \$861,000 and 6.0 positions from the Contingency Reserve Fund (CRF).

IV. ANALYSIS:

The Health Benefits Branch is requesting additional resources to address CalPERS' efforts in the area of National Health Care Reform, Health Program Receivables, Medicare, and increased Enrollment activity. Augmentations from the CRF require approval through the annual Legislative budget process.

The Health Benefits Committee was notified, at the August 2010 meeting, of the Budget Change Proposals (BCPs). This agenda item seeks acceptance by the Finance Committee and approval from the Board of Administration to submit the BCPs for the CRF.

V. STRATEGIC PLAN:

This item is not a specific product of the Strategic Plan.

VI. RESULTS/COSTS:

This results in an increase of \$861,000 to the Contingency Reserve Fund in the 2011-12 CalPERS Administrative Budget along with an increase in overall positions. Should these CRF BCPs be approved, the proposed 2011-12 CRF administrative rate would be approximately 0.40 percent, up from 0.37 percent in 2010-11.

VII. ATTACHMENTS:

None

STEVE PIETROWSKI, Assistant Chief
Fiscal Services Division

RUSSELL G. FONG, Chief
Fiscal Services Division

LARRY JENSEN
Assistant Executive Officer
Administrative Services Branch